MERCK KGAA v. LENO MARKETING (M) SDN BHD; THE REGISTRAR OF TRADE MARKS (INTERESTED PARTY)

HIGH COURT MALAYA, KUALA LUMPUR
AZIZAH NAWAWI J
[ORIGINATING SUMMONS NO: 24IP-33-07-2015]
19 MAY 2016

INTELLECTUAL PROPERTY: *Trade marks – Registration – Opposition to application to register mark – Registrar of Trade Marks rejected opposition – Appeal against decision of Registrar of Trade Marks – Whether marks identical or similar – Whether marks sufficiently distinguishable – Whether marks visually and confusingly similar – Whether trade channels through which goods bought and sold were the same – Nature of parties' goods – Whether consumers who purchase products sold by parties would be more careful – Whether marks contrary to ss. 10, 14, 19 and 25 of Trade Marks Act 1976*

CIVIL PROCEDURE: *Affidavits – Striking out – Application for – Allegation that affidavit exhibited was irrelevant, oppressive and wrongly exhibited additional new document – Manner to bring forward further materials – Whether complied with – Whether application for special leave of court filed – Rules of Court 2012, O. 55*

The defendant filed an application to register the mark 'Bionel' in 2008 ('the defendant's mark'). The application was accepted by the Registrar of Trade Marks ('the Registrar') and the same was published in the Malaysian *gazette* in 2011. The plaintiff, a German pharmaceutical company and the registered owner of the trade marks 'BION' and 'BION 3' ('the plaintiff's marks') in Malaysia, opposed the defendant's application. However, the Registrar rejected the plaintiff's opposition on grounds that (i) the defendant's mark was neither identical nor similar to the plaintiff's marks; (ii) the defendant's mark was sufficiently distinguishable from the plaintiff's marks; (iii) the defendant's mark was visually and aurally not confusingly similar to the plaintiff's marks; (iv) the trade channels which the defendant's goods were bought and sold were different; (v) the defendant was involved in direct selling business and their products were sold through direct sales; and (vi) the nature of both the plaintiff's and defendant's goods could be regarded to focus on the health industry and consumers who purchase these types of products would be more careful in their purchase. The Registrar allowed the defendant's trade mark to proceed to registration. In these two applications, the plaintiff sought (i) an appeal against the Registrar's decision raising the issue for the court's adjudication as to whether the defendant's mark was contrary to ss. 10, 14, 19 and 25 of the Trade Marks Act 1976 ('the TMA') ('encl. 1'); and (ii) to strike out the defendant's affidavit affirmed by one San Chin Choon ('exh. D1') on the grounds that it was irrelevant, oppressive and that it had wrongly exhibited an additional new document which did not form part of the Registry proceedings that culminated in the appealed decision ('encl. 12').

Held (allowing encl. 1; dismissing encl. 12):

(1) The plaintiff's appeal was filed pursuant to s. 28 of the TMA. Under s. 28(7) of the TMA, further material for consideration by the Court of Appeal may be brought before the court 'either in the manner prescribed or by any special leave of the court'. The phrase 'in the manner prescribed will be in reference to O. 55A of the Rules of Court 2012 ('ROC'), which provides the procedure for an appeal to the High Court made under any written law and in this case, an appeal under s. 28(5) of the TMA. Since there was nothing in O. 55A of the ROC which prescribed the manner to bring forward further materials, the 'special leave of the court' as prescribed in s. 28(7) of the TMA itself was required. Since there was no application filed by the defendant 'for special leave of the court' to use further material for consideration, encl. 12 was allowed. Exhibit D1 and the relevant paragraph were expunged from the court's records. (paras 16-18)

(2) Both ss. 14(1)(a) and 19(1) deal with the issue of identical or confusingly similar trade marks. The defendant was involved in direct selling business and their products were sold through direct sales and in their own retail stores. The plaintiff's goods were sold over-the-counter in the pharmacies. Since the plaintiff's and defendant's goods were not in direct competition, the public would not be easily confused between the plaintiff's and the defendant's marks. The defendant's mark was not confusingly similar to the plaintiff's marks which would offend either ss. 14(1)(a) or 19(1)(a) of the TMA. (paras 27, 34 & 40)

(3) There was no issue of the defendant attempting to ride on the alleged goodwill and reputation of the plaintiff's trade marks. The defendant had provided the explanation as to the choice of mark and the origins of its trade mark which showed that the said mark was not applied and used in bad faith. (para 44)

(4) Under s. 14(1)(d) of the TMA, the onus was on the plaintiff to establish that (i) the plaintiff's marks were well-known in Malaysia; and (ii) the defendant's mark was identical or so nearly resembled the plaintiff's marks. The plaintiff's marks were yet to be considered as a well-known mark in Malaysia. The defendant's mark was not identical nor so nearly resembled the plaintiff's marks. The plaintiff failed to establish the requirement of s. 14(1)(d) of the TMA. (paras 50 & 51)

Case(s) referred to:

Consitex SA v. TCL Marketing Sdn Bhd [2008] 8 CLJ 444 HC ***(refd)***

Elba Group Sdn Bhd v. Pendaftar Cap Dagangan Dan Paten, Malaysia & Anor [1998] 4 CLJ Supp 24 HC ***(refd)***

Fif Trade Mark [1979] RPC 355 ***(refd)***

Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2) [2012] 10 CLJ 507 HC ***(dist)***

Re Pianotist Co's Application (1906) 23 RPC 774 ***(foll)***
Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 SC ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***

Legislation referred to:
Rules of Court 2012, O. 41 r. 6, O. 55 r. 7, O. 55A
Trade Marks Act 1976, ss. 10, 14(1)(a), (d), 19(1)(a), 25(1), 28(4)(a), (5), (7), 70B

Trade Marks Act 1938 [UK], s. 17(1)

For the plaintiff - Sunitha Rengasamy; M/s Miranda & Samuel
For the defendant - Arun Kasi & Eugene Teo; M/s Esther Ong, Tengku Saiful & Sree

Reported by Najib Tamby

JUDGMENT

Azizah Nawawi J:

Application

[1] There are two applications before this court:

(i) the originating summons in encl. (1); and

(ii) the plaintiff's application to strike out the defendant's affidavit affirmed by San Chin Choon on 3 August 2015 or exh. "D1" of the defendant's said affidavit be struck out and any averment in respect of the said exhibit be struck out in encl. (12).

[2] The originating summons is the plaintiff's appeal against the decision of the Registrar of Trade Marks dated 13 April 2015, which rejected the plaintiff's notice of opposition dated 29 November 2011 and allowed the registration of the defendant's Application No. 08014118 for the trade mark "Bionel" in Class 5.

[3] After hearing the parties, this court had allowed the plaintiff's objection in encl. (12) and ordered that exh. "D-1" of the defendant's affidavit affirmed by San Chin Choon on 3 August 2015, be struck out and any averment in respect of the said exhibit be struck out.

[4] With regards to encl. (1), this court had dismissed the plaintiff's appeal with costs.

The Salient Facts

[5] The plaintiff is a global pharmaceutical company based in Darmstadt, Germany and was established in 1668.

[6] In Malaysia, the plaintiff is the registered owner of the trade marks "BION" and "BION 3" in Classes 5, 29 and 30.

[7] The defendant filed the mark 'Bionel on 18 July 2008 in Class 5 for the goods of 'pharmaceutical, veterinary and sanitary substance; infants' and fat and invalids' foods; plasters, materials for bandaging, materials for stopping teeth, dental wax; all included in Class 5'.

[8] The defendant's application was accepted by the Registrar and it was published in the Malaysian *gazette* on 29 September 2011.

[9] The plaintiff filed their notice of opposition on 29 November 2011. After hearing the parties, the Registrar had rejected the plaintiff's opposition and allowed the defendant's trade mark "Bionel" to proceed to registration.

Enclosure (12)

[10] Enclosure (12) is the plaintiff's application to strike out the defendant's affidavit affirmed by San Chin Choon on 3 August 2015 or exh. "D1" of the defendant said affidavit be struck out and any averment in respect of the said exhibit be struck out.

[11] The grounds of the application are as follows:

(i) that exh. "D1" of the defendant's affidavit is irrelevant, oppressive and ought to be expunged and struck out; and

(ii) that exh. "D1" wrongly exhibit an additional document which is new, irrelevant and oppressive, which do not form part of the Registry proceedings which culminated in the appealed decision.

[12] Exhibit "D1" of the defendant's affidavit affirmed by San Chin Choon on 3 August 2015 is a direct sales licence issued under the Direct Sales Act 1993 dated 28 February 2013 for the period of 28 February 2013 to 27 February 2016, to an associate company of the defendant, Leno (M) Sdn Bhd.

[13] From the submission of parties and the grounds of the application, the parties are limiting this application to exh. "D1" and its related para. 12 of the affidavit affirmed by San Chin Choon on 3 August 2015. This, according to the defendant's counsel, is premised on the agreement between parties in a letter dated 27 October 2015.

[14] It is the submission of the plaintiff that pursuant to O. 41 r. 6 of the Rules of Court 2012 ('ROC 2012'), para. 12 of the defendant's affidavit and exh. "D1" are not relevant to these appeals as the said document was not before the Registrar, and there was no application before this court to tender any new evidence as well.

[15] However, the defendant submits that an application for fresh evidence is only relevant to O. 55 r. 7 of the ROC 2012, in respect of appeals from lower courts to the High Court. Since an appeal from the decision of the Registrar of Trade Marks is pursuant to O. 55A of the ROC 2012, the issue of an application for fresh evidence is not relevant. The defendant submits

that there is no limitation in O. 55A of the ROC 2012, and therefore the defendant may bring in exh. "D1", which was not before the Registrar but is relevant as the Registrar did consider the fact that the defendant's products were sold by direct selling.

[16] The plaintiff's appeal is filed pursuant to s. 28 of the Trade Marks Act 1976 ('TMA 1976'). The plaintiff's appeal is against the decision of the Registrar in an opposition proceeding under s. 28(4)(a). Pertinent to our application here is s. 28(7) which reads:

> (7) On the hearing of an appeal under this section any party may, either in the manner prescribed or by any special leave of the Court, bring forward further material for the consideration of the court but no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar other than those stated by the opponent except by leave of the Court.

[17] Under this provision, further material for consideration by this court on appeal may be brought before this court "either in the manner prescribed or by any special leave of the court". The phrase "in the manner prescribed" will be in reference to O. 55A of the ROC 2012, which provides the procedure for an appeal to the High Court made under any written law, and in this case an appeal under s. 28(5) of the TMA 1976. Since there is nothing in O. 55A of the ROC 2012 which prescribed the manner to bring forward further materials, therefore "special leave of the court" as prescribed in s. 28(7) of the TMA 1976 itself is required.

[18] Therefore, since there is no application filed by the defendant for special leave of the court to use further material for consideration by this court (that is, the fresh evidence that was not before the Registrar in the opposition proceedings), I will allow the plaintiff's application in encl. (12), to the limited extent that exh. "D1" and its related para. 12 in the affidavit affirmed by San Chin Choon on 3 August 2015, are hereby expunged from the court records, with cost to the plaintiff.

Enclosure 1

[19] Enclosure (1) is an appeal against the decision of the Registrar dated 13 April 2015 which allowed the registration of the defendant's mark Application No. 08014118 in Class 5 and dismissed the objection raised by the plaintiff. The defendant's mark is "Bionel".

[20] The decision of the Registrar in dismissing the plaintiff's opposition against the defendant's mark at the Registry was based on the following grounds:

(i) that the defendant's mark is neither identical/similar to the plaintiff's "BION" mark;

(ii) that the defendant's mark is sufficiently distinguishable from the plaintiff's "BION" mark;

(iii) that the defendant's mark is visually and aurally not confusingly similar to the plaintiff's "BION" mark;

(iv) that the trade channels which the defendant's goods were bought and sold are different;

(v) that the defendant is involved in direct selling business and their products were sold through direct sales;

(vi) that the nature of both the plaintiff's and defendant's goods can be regarded to focus on the health industry and consumer who purchase these types of products would be more careful in their purchase; and

(vii) that the plaintiff's goods are not direct competitors of the defendant's product because the public will not be easily confused between the marks.

[21] In their written submission, the plaintiff has set out three main grounds as to why the defendant's mark should not proceed to registration, namely:

(i) the defendant's mark is contrary to ss. 14 and 19 of the Trade Marks Act 1976 ("TMA 1976");

(ii) the defendant's mark is contrary to s. 25 of the TMA 1976; and

(iii) the defendant's mark is contrary to s. 10 of the TMA 1976.

The Findings Of The Court

Issue (i) Whether The Defendant's Mark is Contrary To ss. 14 And 19 Of The TMA 1976

[22] It is the submission of the plaintiff that the learned Registrar has erred in law and/or in fact in dismissing the plaintiff's opposition against the defendant's mark on the basis that the defendant's mark does not offend ss. 14 and 19 of the TMA 1976.

[23] On this issue, the Registrar found as follows:

> First, 1 have to determine whether the Applicant's mark is identical or nearly resembling the Opponent's marks. Looking at the respective trademarks of the Applicant and the Opponent, I am of the view that the marks are not identical. Now, l have to determine whether the Applicant's mark is deceptively and/or confusingly similar with the Opponent's mark. Bearing in mind the test as to confusing similarity that laid down in case laws (*Pianotist Co's Appn, De Cardova, jafferjee v. Scarlett*, etc) and the doctrine of 'imperfect recollection, the Registry is of the view that the Applicant's mark is sufficiently distinguishable from the opponent's marks. The Applicant's mark is consists of the word "Bionel" in a stylized manner and can be pronounced as "/BIO/NEL". Whereas, the Opponent's 1st

mark is wordmark namely "Bion", 2nd mark is consists of word "Bion" with a device and the 3rd mark is consists of the word "Bion 3" in black block letters within a racetrack shape device in which can be pronounced as "/BION/and "/BION/THREE/". On the visual aspect of the mark, based on the trade mark principle of essential feature and imperfect recollection, it is sufficient to say the Applicant's mark is not confusingly similar. On the aural aspect, the mark when pronounced as a whole neither similar nor confusing. Taking my consideration of the visual, oral and conceptual makeup of the respective marks as a whole, I am of the view that the Applicant's mark is sufficiently distinguishable from the Opponent's marks.

[24] Section 19(1) of the TMA 1976 states as follows:

(1) No trade mark shall be registered in respect of any goods or description of goods:

(a) that is identical with a trade mark belonging to a different proprietor and entered in the Register in respect of the same goods or description of goods or in respect of services that are closely related to such goods; or

(b) that so nearly resembles such a trade mark as is likely to deceive or cause confusion.

[25] Section 14(1)(a) of the TMA 1976 reads as follows:

14. Prohibition on registration

(1) A mark or part of a mark shall not be registered as a trade mark:

(a) If the use of which is likely to deceive or cause confusion to the public or would be contrary to law;

[26] Section 19 of the TMA 1976 relates to registered trade marks only, whereas s. 14 of the TMA 1976 is of wider application. The objective and purpose of s. 14(1)(a) is held by the Federal Court in *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337 as follows:

[25] The objective and purpose of s. 14(1)(a) of the Act is to protect the public and consumers from instances of confusion or deception as a result of the use of two similar marks. *Thus, under s. 14(1)(a) of the Act, a mark shall be refused registration if use thereof is likely to deceive or cause confusion to the public notwithstanding that it is the result of use of an earlier identical or similar mark, whether registered or not in Malaysia and which is being used in relation to good or services which may be different from that sought to be registered.* (emphasis added)

[27] However, both s. 19(1) and s. 14(1)(a) deal with the issue of identical or confusingly similar trademarks. As the defendant's 'Bionel' mark is not identical with the plaintiff's 'BION' or 'BION 3' marks, the issue then is whether these marks are confusingly similar. In determining whether the

defendant's mark is confusingly similar to the plaintiff's marks, the relevant test can be found in the Supreme Court decision of *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344; [1992] 2 MLJ 63, where the court held that:

> The 'test' which Wan Adnan J was referring to were contained in Parker J's judgment in *The Pianotist Co Ltd* in the following terms:
>
> You must take two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trademarks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

[28] The test formulated by the court in the *Pianotist's* case, as accepted by our Supreme Court in *Tohtonku*, in determining whether there is any likelihood of confusion can be summarised as follows:

(i) by comparison of the conflicting marks;

(ii) by considering the goods/services to which the conflicting marks are to be applied; and

(iii) by considering the type of customers of the proprietors of the conflicting marks.

The underlying consideration would be all the circumstances surrounding the usage or proposed usage of the conflicting marks taken as a whole in determining whether there will be any likelihood of confusion.

[29] It must also be emphasised that the circumstances of use to be considered must be with reference to the time the defendant's mark was applied for registration, that is, on 18 July 2008. In *Walton International* case (*supra*), which involved an appeal against the Registrar's decision to dismiss an opposition against registration for the trade mark "GIORDANO", the Federal Court held at p. 346:

> At the outset we would like to state here that the relevant date upon which the court has to decide whether the appellant is entitled to register the "GIORDANO" trade mark in Class 9 is the appellant's application date on 25 July 1992.

[30] Applying the *Pianotist's* case, this court must first make a comparison between the plaintiff's "BION" marks and the defendant's "Bionel" mark. Having considered the plaintiff's registered marks "BION" and "BION 3", and the defendant's "Bionel" mark, I agree with the findings of the Registrar that the marks are not confusingly similar. Visually, conceptually or phonetically, the marks are clearly different:

PLAINTIFF'S MARK		DEFENDANT'S MARK
BION BION 3	vs.	Bionel

[31] I agree with the findings of the Registrar that the defendant's mark consists of the word "Bionel" in a stylised manner and can be pronounced as "/BIO/NEL/", pronounced with two syllables. Whereas, the plaintiff's mark consists of the word mark, that is "Bion" and the other mark consists of a word "Bion" with a device and another mark consists of the word "Bion 3" in black block letters within a racetrack shape device in which can be pronounced as "/BION/ and "/BION/THREE/". Thus, "BION" is pronounced in a single syllable.

[32] Other cases came to the similar finding, as can be seen in the case of *Elba Group Sdn Bhd v. Pendaftar Cap Dagangan Dan Paten, Malaysia & Anor* [1998] 4 CLJ Supp 24; [1998] 4 MLJ 105 where the court held that 'DAX' was not confusingly similar with 'DAKS'. In *Fif Trade Mark* [1979] RPC 355, it was held that 'FIF' was not similar to 'JIF'.

[33] Next we consider whether the goods/services to which the conflicting marks are to be applied, as per the *Pianotist* test. On this issue the Registrar made the following finding:

> After go through the arguments of both parties I conclude that the goods of the Applicant and Opponent are goods of the same description. The uses and the physical nature of the products are thus similar. However, the trade channel through which the Applicant's and Opponent's goods are bought and sold are different. The Applicant involved in direct selling business and their products was sold through direct sales and in their own retails stores only. Unlike Applicant, the Opponent's goods are over-the-counter products that can only be purchased in the pharmacies.
>
> ...
>
> Taking into account all the relevant factors, I am of the opinion that the Applicant's goods and the Opponent's goods am not direct competitors and because of this fact, the public will not be easily confused between Applicant's mark and the Opponent's mark.

[34] On this issue, the Registrar has made a finding of fact that the trade channels through which the plaintiff's and the defendant's goods are bought and sold are different. The defendant is involved in direct selling business and their products were sold through direct sales and in their own retails stores, whereas the plaintiff's goods are sold over-the-counter in the pharmacies. I do not find any basis to disturb this finding of fact by the Registrar. As such, I am of the considered opinion that the Registrar has made the correct finding that since the plaintiff's goods and the defendant's goods are not in direct competition, the public will not be easily confused

between plaintiff's marks and the defendant's mark. In *Consitex SA v. TCL Marketing Sdn Bhd* [2008] 8 CLJ 444; [2008] 3 MLJ 574, the court held that there is no likelihood of confusion or deception when the channels of distribution of the trade marks are different. The plaintiff's '*Ermenegildo Zegna*' and '*Zegna*' clothing are distributed at exclusive malls noted for high priced items, such as KLCC and Avenue K, whereas the defendant's '*Emmer Zecna*' clothing are sold in departmental stores and supermarkets. The court added that:

> [36] Further to the above, according to the *Pianotist* test, surrounding circumstances should be taken into account when determining whether the mark is likely to deceive or cause confusion. In the present case, *both the plaintiff and the defendant focus their business on different markets and target different segments of the public. The Plaintiff targets customers who can afford designer wear and brands which are recognised by the fashion world … The defendant on the other hand, has targeted the average middle – class portion of the public. Taking this fact into consideration, it is obvious that there is no likelihood of confusion or deception to the public.* (emphasis added)

[35] The plaintiff however relied on the case of *Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2)* [2012] 10 CLJ 507, where the court has held that the marks 'FUCIDIN' and 'FUCIDIC', and 'FUCICORT' and 'FUSI-CORTE' are confusingly similar. In making such findings, the court had considered that the goods in question are prescription drugs which were dispensed or dealt with by licensed pharmacist or pharmacists' assistants and doctors tend to scribble their prescriptions.

[36] Therefore, the *Leo Pharmaceutical Products Ltd's* case is factually different from our case. In that case the products are the same, prescription drugs, which are sold in the same channel, the pharmacy, with the added anxiety over doctors who tend to scribble their prescription.

[37] Lastly, the *Pianotist* test requires this court to consider the type of customers of the proprietors of the conflicting marks. In his decision, the Registrar made the following finding.

> In addition, the nature of both the Applicant's and the Opponent's goods can be regarded to focus on the health care. Consumer buying this type of products will be more careful in their purchase in that they are getting the brand that they are looking for.

[38] Again I do not find anything wrong with the said findings of the Registrar. In the case of *Consitex SA* (*supra*), the court held as follows.

> [54] Literacy level in Malaysia is high and consumers are more demanding, discerning and observant than before, and therefore, are able to distinguish the plaintiff's and the defendant's trademarks and businesses. This is evidenced by the fact that the marks 'PANASONIC' and 'PENSONIC' have been allowed to co – exist in relation to electronic

and electrical goods in Malaysia, 'adax' and DAKS' for clothing, 'MISTER' and 'SISTER' for condoms, and 'PUBLIC BANK' and 'BANK RAKYAT' co-exist as name of banks.

[57] Taking this fact into consideration in this case, a well informed, circumspect and observant consumer would certainly not be confused with the co-existence of the defendant's mark *Emmer Zecna* with the plaintiff's *Ermenegildo Zegna*.

[39] If the demanding, discerning and observant Malaysian consumers are not easily confused over trade marks on clothing, I agree with the Registrar's finding that with regards to health care products, the demanding, discerning and observant Malaysian consumers would be more careful in their choice.

[40] Premised on the reasons enumerated above, I am of the considered opinion that the Registrar was correct in his finding that the defendant's mark 'Bionel' is not confusingly similar to the plaintiff's marks 'BION' or 'BION 3' which would offend either s. 14(1)(a) or s. 19(1)(a) of the TMA 1976.

Issue (ii) Whether The Defendant's Mark Is Contrary To s. 25 Of The TMA 1976

[41] It is the submission of the plaintiff that the Registrar erred in law and/or fact in not recognising the fact that the plaintiff is the originator and/or *bona fide* and/or common law proprietor of the trade mark 'BION' and that the plaintiff has acquired substantial goodwill and reputation in its business in relation to the trade mark 'BION' in Malaysia long before the filing of the defendant's application.

[42] Section 25 of the TMA 1976 provides that:

Any person claiming to be the proprietor of a trade mark used or proposed to be used by him may make application to the Registrar for the registration of that mark in the Register in the prescribed manner.

[43] *Kerly's Law of Trade Marks and Trade Names* (13th edn.) touched on s. 17(1) of the English Trade Marks Act 1938 (corresponding to s. 25(1) of the TMA 1976 and observed that:

... claiming that he is entitled to be registered as the proprietor ... [the] claim must in same sense be a justified one ... **Provided however that the claim of proprietorship is made in good faith and is not rebuttable on the ground that in fact someone else was the proprietor, it is difficult to see how it can be objected to**. (emphasis added)

[44] In view of my finding that the defendant's 'Bionel' mark is not identical or confusingly similar to the plaintiff's 'BION' or 'BION 3' marks, there is no issue of the defendant attempting to ride on the alleged goodwill and reputation of the plaintiff's trade marks. The defendant has also provided the explanation as to the choice of mark and the origins of its trade mark which shows that the said mark was not applied and used in bad faith.

Issue (iii) Whether The Defendant's Mark Is Contrary To s. 10 Of The TMA 1976

[45] On this issue, the Registrar made the following finding:

> With regard to the distinctiveness of the mark, the Registry also of the view that the Applicant mark is distinctive and registrable under Section 10 of the Act. As long as the Applicant's mark not confusingly similar to the Opponent's mark that could lead to any confusing or deception, I have no reason to object the registration of the Applicant's mark in Class 5. The Applicant also entitled to apply for the registration of the applied mark pursuant to Section 25(1) of the Act.

[46] It is the submission of the plaintiff that the defendant's mark is not distinctive within the meaning of s. 10 of the TMA 1976, in that the defendant's mark is not capable of distinguishing the goods of other traders due to the defendant's mark being identical and/or confusingly similar with the plaintiff's "BION" trade mark.

[47] In view of my findings that the defendant's 'Bionel' mark is not confusingly similar to the plaintiff's 'BION' mark, the plaintiff's contention is simply untenable.

[48] The plaintiff also raised several other issues, including the contention that the plaintiff's marks are well known marks by virtue of their extensive advertisements, usage, public awareness and trade mark registration/ applications worldwide. The plaintiff therefore submits that the plaintiff's marks are entitled to the protection of well known marks under s. 70B of the TMA 1976, Paris Convention and art. 16 of the TRIPS agreement.

[49] On this issue, the Registrar made the following finding:

> With regards to the Opponent's claim on the well-known mark, based on the related provisions under the Trade Marks Act 1976, and also the affidavit evidences tendered by the Opponent, the Registry is of the view that the Opponent's marks are yet to be considered as a well-known mark in Malaysia.

[50] As the Registrar has made a finding of fact on this, I will not disturb his finding of fact. In any event, under s. 14(1)(d) of the TMA 1976, the onus is on the plaintiff to establish:

(i) that the plaintiff's marks are well known in Malaysia; and

(ii) that the defendant's mark is 'identical' or 'so nearly resembles' the plaintiff's mark.

[51] Since the Registrar has made a finding of fact based on the affidavit evidences tendered by the plaintiff, that the plaintiff's marks are yet to be considered as a well-known mark in Malaysia, the plaintiff's submission on this must fail. Added to that, I had also made a finding that the defendant's 'Bionel' mark is not 'identical' nor 'so nearly resembles' the plaintiff's 'BION' mark. Thus, the plaintiff has failed to establish the requirement of s. 14(1)(d) of the TMA 1976.

[52] Finally, the plaintiff also raised the issue of whether the defendant's products are duly registered with the National Pharmaceutical Control Bureau (NPCB). Thus, the plaintiff submits that "it has not been established by the defendant that the products to which the defendant claims offering *via* direct selling are drugs that have been approved by the NPCB. Further, it has not been established that the direct personnel of the defendant am qualified in the medical field to sell pharmaceutical products to the customers. In the interest of the public, pharmaceutical products cannot be sold *via* direct selling unless proper approvals from the relevant authorities." (see para. 3.4.3 of the plaintiff's written submission)

[53] I take note that this issue was not raised as one of the plaintiff's grounds of opposition dated 29 November 2011, and s. 28(7) of the TMA 1976 clearly provides that "... no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar other than those stated by the opponent except by leave of the court."

[54] After complaining about the defendant's use of fresh evidence, it does not augers well for the plaintiff to later submit on an issue that was not raised in the grounds of objection, which is clearly against s. 28(7) of the TMA 1976.

Conclusion

[55] Premised on the reasons enumerated above, the plaintiff's appeal is dismissed with costs.